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ABSTRACT

The development of modern public relations is traced in this paper. The opposition of James Madison and his colleagues to involving the federal government in projects of "public interest" because they had seen the system abused by British authorities is explained, and the efforts of nineteenth century leaders within the railroad industry to obtain grants for their projects and the philosophies of those men are explored. Twentieth century executives such as Theodore Vail and Samuel Insull, leaders in the telephone and electric utility industries, are discussed. Three generalizations about the developments in public relations in the past several decades are made. Finally, the paper compares two large United States companies and their public relations policies. The conclusion asserts that it is time to address the basic issues of public relations, and of much of economics also: What is public? What is private? (DF)

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Public Relations Division

ASKING BASIC QUESTIONS: PUBLIC RELATIONS VS. PRIVATE ENTERPRISE

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ASKING BASIC QUESTIONS: PUBLIC RELATIONS VS. PRIVATE ENTERPRISE

Eight years ago Professor Joseph McKerns, in an article entitled "The Limits of Progressive Journalism History," noted that, "The dominant interpretative approach, or paradigm, to the history of journalism has been the Progressive interpretation..." McKerns contended that the Progressive view of linear improvement in American journalism over the years, with a goal of onwards and upwards to liberalism, has been superficial at best.[1]

Public relations history-writing also has been dominated by the Progressive interpretation, in two ways. First, we are all familiar with the common view that American public relations practice has improved sharply since the "press agent" era of the nineteenth century or even the "bad old days" early in this century. Second, we also have listened to numerous liberal sermonettes about how corporations have done better at serving "the public interest" as they have spent more time relating to their public (or "publics"), as they have done more "boundary spanning," as they have developed professional contributions functions and learned to dicker and deal in Washington.

The problem for advocates of bigger and better public

[1]

relations is that we live -- providentially -- in a country founded on the importance of private interests and private relations. "Good fences make good neighbors" was Robert Frost's poetic translation of the debate over the Constitution two hundred years ago. As we approach the 1987 bicentennial of our framing document, it is time to ask basic questions about the relationship of public relations to private enterprise.

We might begin by remembering that James Madison and his colleagues had grown up with British speeches about the importance of the "public interest." They had seen that landowners who worked hard at improving their property but did not mind their public relations could lose all, "for the public good." Astute citizens were careful to throw parties for and bribes at magistrates with power to damage their interests.[2]

Madison and his colleagues had seen that authorities only allowed economic activities seen to benefit the "public interest." They were so sick of such restrictions that they decided to limit strictly the federal government's role. They would not support creation of a national university or other institutions for furthering literature or art, even though there were clear "public interest" benefits. They would not give the federal government power to build canals or to regulate stages, clearly in the "public interest."[3]

Most of the Constitution framers' counterparts in the individual states, were equally hesitant about suggesting that private parties should do anything else than a sound job at their private tasks. Exceptions occurred, but emphasis during the Republic's early years was always on private relations. Madison

provided the theoretical base for this consistent political caution: He opposed those who said the United States must give public goals primacy over individual aspirations. Citizens do not have the same passions or interests, he wrote, and any attempt to establish harmony by proclaiming commonalities when none exist is hostile to liberty.[4]

Madison brilliantly proposed an alternative philosophy of social organization: Encourage private interests. Madison argued that the United States must have a wide and competing variety of economic and political interests, all suspicious of each other, all unwilling to enter into agreements to stifle those left out. Madison suggested that public progress was most likely when private interests were pursued. In society as in government, liberty was most likely when competing forces kept each other from becoming too powerful, and therefore allowed individuals to pursue their own private interests without impediment.[5]

The opposition of Madisonian thinking to conceptions of "public interest" dominated American politics during the Constitution's first century. Farmers and small businessmen welcomed the protection afforded them by the belief that "little people" and "little places" were just as important as governmental projects. The rule of law rather than public pressure allowed the building of strong fences around private properties. Strong fences made a strong nation. Nineteenth century public relations practitioners such as Amos Kendall based their work on principles of private interest. Their human nature

was not any different from the nature of today's practitioners, but they had a different political and theological philosophy.[6]

Kendall and others did not try to manipulate others into thinking that what they wanted was in the "public interest." They did not believe in that concept. Instead, they tried to restrict government as much as possible to a limited judicial function. Government would involve itself in economic disputes only when one pursuer of private interest was attempting to illegally overwhelm another. Business blather about public spiritedness was not omnipresent. Instead, business leaders worked under the simple but effective slogans of private relations: "Build better mousetraps" and "Mind your own business." Businessmen had few public relations concerns because they purposefully did not go public very often.

All was not sugar and spice, of course. In the transportation industry, for instance, a few businessmen for many years tried to pick up government aid whenever they could. Such public-private partnership generally was considered unconstitutional, though. Presidents often killed bills calling for federal involvement in transportation. Madison in 1817 vetoed a road-building bill, saying that federal involvement in such activities was unconstitutional. James Monroe in 1822 vetoed a similar measure, noting that "Congress does not possess the power, under the Constitution, to pass such a law." Presidents Jackson, Tyler, and Polk vetoed other bills. In several cases grants for improvements were made by the federal government and justified on grounds of military necessity, but the essential policy remained intact until 1850.[7]

Public relations-minded leaders within the railroad industry kept trying to break out of the clear consensus emphasizing private relations. Their first major success came in 1850, when Illinois Central officials wanted a subsidy for building a new road. At first they received the same negative reaction. The American Railroad Journal complained about the executives' plan for "the public to furnish the means necessary to build the road, while they pocket the profits." Constitution-minded opponents of the subsidy raised a fundamental question: "Where is the power in this Government to make a donation to A in a manner that presses B into paying double price?" But Illinois Central officials did not give up. They dusted off the old British notion of "public interest" and began to overwhelm the opposition through an enormous public relations campaign.[8]

One Illinois Central maneuver was to play on growing concern about an eventual civil war by arguing that a nationally funded north-south railroad would bind North and South "together so effectually that the idea even of separation" would become unthinkable. They were wrong, of course, but they were not proved wrong until they had already received their subsidy. Illinois Central's successful campaign opened the door to other railroad subsidy-seekers who adopted similar public relations strategies of emphasizing the "public interest." Between 1852 and the financial crisis of 1857, Congress made grants to forty railroads claiming "public interest" rationales. Opponents of railroad public relations were left merely to sputter about the most monstrous and flagrant attempt to overreach the Government

and the people" yet devised.[9]

With the usefulness of public relations demonstrated, the field became a fad in the post-Civil War railroad industry. A few executives wanted to continue to concentrate on building better mousetraps. For instance, railroad president George Washington Cass, Jr., specifically opposed proposals for what we would now call media relations or governmental relations staffing. Asked about critical journalists, Cass replied, "There is only one way of keeping these fellows quiet if they are disposed to make a noise and that is to buy them up -- and this I am not disposed to do." In response to a governmental relations proposal, Cass wrote, "We have no emissary in Washington nor do we care to go into that kind of business. It is quite expensive and very seldom pays."[10] To almost all public relations suggestions Cass' reply was virtually the same: "Go along minding your business and the Company's and let quarrelsome men look out for themselves."[11]

The public relations-minded executives who opposed Cass, though, began using a favorite public relations word: unrealistic. Railroad president Henry Ledyard observed, "The newspapers do, to a greater or lesser extent, mold public opinion"[12] -- so it was necessary to develop favorable newspaper articles. This was particularly important because the Supreme Court was then beginning a practice of examining public opinion before reviewing important cases; public opinion was often measured through the newspapers.[13] In 1876 William Ackerman, president of the Illinois Central, wrote to an Iowa public relations agent, J. F. Duncombe, "We cannot afford to remain idle

and allow the cities to give the Supreme Court the idea that popular opinion demands" review of a pro-railroad decision. "I want to get your aid by having you publish some articles in the interior of the State commending the decision." These articles could then be produced as evidence of public opinion in the heartland.[14]

"Realism" also demanded a program similar to what we now call "educational relations" or "academic affairs," since many of the ideas which find their way into newspapers originate at colleges and universities. Ackerman argued that escalating public attacks on railroads made it necessary for industry leaders to "manufacture public opinion," not just minimize its impact through puffery. Ackerman delegated his assistants to prowl the academies, with the goal of promoting pro-railroad scholarship which newspapers could then legitimately quote. Illinois Central officials sometimes provided encouragement and research help to authors of favorable books and articles, but increasingly provided financial encouragement. By 1880 they were paying for favorable books and articles which would be published as independent pieces of analysis and scholarship.[15]

"Realism" demanded the provision of free passes to politicians who had to visit their constituents or take a vacation, to clergymen who needed a restful trip to prepare their sermons, and to educators who needed a first-hand look at the battlefields they would describe in their classrooms. John Erisbin, general manager of the Delaware, Lackawanna and Western, wrote that sending a Pennsylvania state senator a pass for his

wife was a "good investment." John Denison, secretary and treasurer of the Burlington and Missouri River in Nebraska, had a pass issued to a Home Missions minister "not because I am in sympathy with the Home Missionary Society, but because...we want friends of this sort in Iowa."[16]

"Realism" demanded innovations in the corporate contributions aspect of public relations. For instance, during political difficulty Ackerman advised a donation to Illinois Wesleyan University since it "would doubtless touch the heart of every Methodist Member of the Legislature." Ackerman recommended an Illinois Central "contribution to the yellow fever sufferers" because "It will no doubt be of great benefit to us." Ackerman understood the public relations usefulness of endowing a hotel bed, as long as a plaque gave credit to Illinois Central: "Unless we can have this I do not see any particular advantage in making the endowment."[17] Other executives followed suit.

In short, the younger, public relations-minded railroad executives used many of the tools of today's practitioners in a somewhat less sophisticated way, but for a similar purpose. They argued that talk of private enterprise without public relations was unrealistic -- everyone else was getting into the act, and he who hesitated would be lost. Besides, leading railroad executives began to see the federal government as useful for stifling their smaller competition and preventing price wars. Ackerman, angry at his rate-cutting competitors, wrote that, "As many of the Railroad Companies of our country seem incapable of managing their own affairs, it might perhaps be a merciful interposition of the Government to take up this matter."[18]

Soon the increase in public relations-mindedness led to a revival of the old "public interest" rhetoric. Robert Harris, who eventually became president of the Northern Pacific, provided the basic rationale when he was a 47-year-old superintendent on the Chicago, Burlington & Quincy. He argued that competition served "private interests" but public relations demanded "that the wealth and happiness of the whole should be increased -- hence I conclude that the policy of the State should be rather to prevent competition than to encourage it." Harris called for "reason" rather than the marketplace to define economic winners and losers: He called for "reasonable compensation to the owners, reasonable compensation to the employees, reasonable chargers to the users. A 'Trinity' that all should be willing to accept." A commission with "public representatives" could decide what was reasonable.[19]

From public relations, to concepts of the public interest, to involvement of the supposed definer of public interest, government -- at every step of the way railroad executives were exercising public relations "realism," but they were also heading down a very slippery slope. The equivalent of today's "issue analysts" examined rate-setting controversies and concluded that there was no "realistic" alternative to greater governmental involvement in railroad management: "The public will regulate us to some extent..."[20] Soon governmental regulation was equated with "realism."

Public relations-minded executives also buttonholed the uncommitted by developing terminology which has since become

standard in campaigns: "public interest," "new ideas," "bipartisanship." Albert Fink, a railroad trade association executive, argued that anti-competitive measures including federal rate setting were "absolutely required for the public interest." Charles Francis Adams, Jr., was among those to argue that "a new idea...a new phase of representative government" -- the regulatory commission -- had been made essential by the increasing complexities of industrial technology. Rapid change, according to Adams, required control by a body of dispassionate experts who would use "statistics" rather than emotions or political considerations to harmonize "the interests of the community" with the interests of business.[21]

The older generation of railroad executives predicted that the railroad public relations efforts, while logical on an individual basis, added up to trouble. John Murray Forbes, the 72-year-old chairman of the Chicago, Burlington & Quincy, warned Perkins in 1885 that talk of government involvement in railroad industry affairs to protect the "public interest" eventually would lead to "the worst and most dangerous form of centralization," for "such revolutions don't go backwards, and if once begun I see nothing for it but the absorption of the 120,000 miles of Railroad by Uncle Sam..."[22] The real political danger was not from Grangers or other anti-railroad partisans; no, those who wanted to "uphold private enterprise" had to "stop railroad men themselves from advocating government interference in the building of railroads."[23]

It was too late. Movement down the slippery slope, begun in 1850 with Illinois Central talk of the public interest involved

in government subsidies, culminated in 1884 and 1885 when dozens of railroad executives testified in favor of federal involvement, in the "public interest." John P. Green, vice president of the Pennsylvania Railroad, explained that most railroads "would be very glad" to come under Washington's "direct supervision" in return for a guaranteed low level of profit and protection against their competitors.[24] Chauncey Depew, in advocating the establishment of an Interstate Commerce Commission, showed an understanding of fundamental problems, but he and others searching for short-term public relations and financial advantage just did not care:

> I think I can safely speak for the whole railroad interest of the United States that whatever may be the constitutional objections to the power of Congress, and they are certainly very great, and from the legal side I have grave doubts about it; however, from the practical business side, if there was a national board, with supervisory powers, fully authorized to investigate and report to Congress, I do not believe that there is a railroad, great or small, within the limits of this republic that would ever raise that constitutional question.25

Depew was right. The Senate had blocked railroad legislation for almost a decade, but on January 18, 1886, the Senate Committee on Interstate Commerce issued its report:

> The committee has found among the leading representatives of the railroad interests an increasing readiness to accept the aid of Congress in working out the solution of the railroad problem which has obstinately baffled all their efforts, and not a few of the ablest railroad men of the country seem disposed to look to the intervention of Congress as promising to afford the best means of ultimately securing a more equitable and satisfactory adjustment of the relations of the transportation interests to the community than they themselves have been able to bring about.26

Based on that rationale, the House and Senate eventually

agreed on a bill which established the Interstate Commerce Commission in 1887. In the short run, the new breed of railroad managers got exactly what it wanted: Government protection against competitors and competitive rates. In the long run, though, the act contributed to the destruction of this country's railroad industry. As Albro Martin points out in his masterful book, Enterprise Denied: Origins of the Decline of American Railroads, 1897-1917, railroad leaders eventually realized they had helped to begin a story "of the brutal substitution of a petty consistency for a sensible pragmatism; of the unconscionable elevation, by the government of a republic, of one set of interests over another."[27]

Technological and societal changes have of course contributed to the increasing difficulties of profitable railroading during the past century, but Martin and others have shown that railroads and their regulators reacted poorly to such changes precisely because they were under the control of public-private committees rather than entrepreneurs. Public relations-mindedness led to that change of control.

The railroad case story points to a very serious moral for today's practitioners: Every railroad public relations problem had a "realistic" solution; every step was a logical one; the end result was establishment of a governmental commission to protect the "public interest." As a few executives had predicted, public relations attempts to "involve" what today we would call "stakeholders" led inevitably to governmental involvement in management of railroad activities. In fact, the victory of public relations-minded railroad executives set the pattern for

the rest of American industry.

For instance, by the early twentieth century, executives such as Theodore Vail and Samuel Insull, leaders in the telephone and electric utility industries, had become adept at using public interest language. They did so to win acceptance for the concept of "regulated monopoly." Vail and Insull both encouraged increased regulation, "in the public interest," in order to gain and maintain government-backed protection from competitors. Electric utilities and Bell system companies developed enormous public relations staffs to push the regulated monopoly concept. Those practitioners bribed, softsoaped, and schemed, but always defended their actions with a public interest rationale. They proclaimed good will toward mankind while using government to create peace on earth based on stifling the competition.[28]

Ivy Lee, our "father of modern public relations," also did his best to reduce competition, in the "public interest." He was one of the first public relations practitioners to oppose competitive enterprise through conscious espousal of corporate collaborationism (alliances of large corporations with each other and with the federal government). He combined sophisticated economics with "situational ethics" developed through assimilation of popularized Darwinian and Freudian thought. Lee was so slick that no one could no longer lump PR men with the old-time snake old peddlers. This was public relations progress.[29]

The public relations strategist who put all the pieces

together for the modern concept of public relations in the public interest was Edward Bernays. From the 1920s onward Bernays consistently wrote of an American society headed toward chaos unless public relations counselors worked behind the scenes to "manipulate public opinion" (his words, used positively) into harmonious patterns. Truly competitive enterprise was done for, Bernays believed; we must substitute new "sacred dances" (Bernays, remember, was Freud's nephew, and has never let anyone forget it) for old competitive striving, and make sure that government provides the tune.[30]

We could trace painfully the development of modern public relations during the past several decades, but for all the hype about progress and professionalism, the growth of more sophisticated methodology has only served to hide the paucity of philosophical change. Practitioners still work within the railroad, Vail, Insull, Lee and Bernays formulation of public relations as a supporter of government-supported industrial harmony rather than free business competition. During the 1940s and 1950s, we had public relations backing for the development of the Committee on Economic Development and its plans for government-corporate collaborationism. During the 1960s and 1970s, public relations counselors pushed corporate backing of Great Society programs and their successors. Public relations-minded leaders in the steel and automobile industries were particularly clever in gaining governmental subsidy. During the 1980s, public-private partnership has become a catch phrase.

In the interests of time and space, some generalizations about the developments of the past several decades may be more

useful than a quadruple repeat of the railroad story -- for in other industries we see the same pattern of public relations success followed by a long-term failure in innovation.[31]

First, during the past several decades public relations increasingly has functioned as part of what we now call strategic planning. Public relations-minded executives often have had as their goal not a fending off of government but a knocking off of competitors, by making the public believe that centralization is inevitable and government a needed protector. All of this is said to be in the public interest, of course, but at the same time this activity undercut the basic ethos of competitive enterprise.

The impact on public relations practice of this switch in political philosophy is severe. Many staffers have been forced to talk out of both sides of their mouths, praising private enterprise in boilerplate speeches but developing plans to promote acceptance of cartels, in alliance with some corporate executives and over the objections of others. This two-facedness of course affected the reputation of public relations, both outside corporations and internally.[32]

Second, great confusion over what is private and what is public had led to great confusion over what information should be made public. Many public relations practitioners have been caught between an ideology-based belief that the public has a "right to know" all kinds of details, in the public interest, and a practical realization that information about a company's internal operations, in a private enterprise economy, must be the

company's business.

In practice, this ideological confusion has led to endless attempts to talk around a subject. Questions about internal functioning, instead of receiving a smiling refusal to comment, are continually sidestepped. Public relations practitioners who have been proclaiming the importance of answering reporters' questions cannot readily give a direct "no comment," since they have agreed that those words are illegitimate; therefore, manipulation of reporters to avoid straightforward refusals has become standard procedures. Public relations encouragment of "social responsibility" concepts have merely opened up demand for further access into private areas. Falling into a pit without bottom, public relations men and women are forced to speak out of both sides of their mouths. The public rightfully resents this.[33]

Third, the steady growth of government-business collaboration has meant a steady growth in the number of executives spending time asking not what their companies could sell, but what our country can do for their companies. The current tax reform debate provides a good example of the now-typical process, with those who can manipulate the political process trying to save their subsidies. Pity the poor public relations practitioner brought in to explain why tax breaks for esoteric investments are in the public interest. Plausible phrases and apple-polishing apologia come to mind, but at the cost of two-facedness once again.

Two-facedness is hard on individuals as well as institutions. Picture the practitioner working in public

relations for a major steel company who is charged with producing statements about the company's continuing commitment to steel. He knows that the company is closing its plants and moving out of the steel business. He knows that the company is lobbying for tax breaks and quotas to milk all it can out of the steel cash cows remaining in its herd. But he cannot write that, so he writes subtle lies and further reduces the repute of public relations, along with his own ability to look in the mirror.[34]

The point to be grasped is that many of the frequently-used public relations methods -- work the press here, lobby there, contribute here, give a speech about the "public interest" there -- are thoroughly realistic and thoroughly logical, in the short-term. But they have been proven wrong in the long-term, throughout the past century, for the country as a whole and for the individual companies, in many instances. The steel industry's current decline provides only the latest example of this.

What, then, can those of in academia do to throw light on dark public relations problems? First off, it is time for us to ask basic questions about the relationship of public relations to private enterprise. We need to examine the connection between a liberal concept of corporate "openness" and the ethical problems of public relations. We need to ponder the long-term effects of implying that major corporations are social service agencies rather than economic entities.

In particular, we desperately need historical research that moves us away from glib Progressive interpretations and helps us

to see how past public relations practices have contributed to current tendencies. For instance, we need good studies of attempts during the 1930s by Arthur Page at AT&T and his counterparts to bring about an extended big government-big business honeymoon. We need critical examinations of the impact of steel industry public relations on the long-term decline of many companies within that sphere. We need analysis of the public relations drives for protectionism which many companies have sponsored. We need critical examinations of the public relations ideology of the Committee for Economic Development from the 1940s through the 1960s and the Business Roundtable during the 1970s and 1980s.

Second, we need to pose a theoretical question: Might increased social complexity make public relations planning less useful rather than more? The argument is similar to the question of centralized planning vs. free market: While some say that a more sophisticated society requires centralized planning (or an "industrial policy," as we call it in this country) to keep people from stepping on each other's toes, it seems more likely that complexity more than ever mandates a free market for reasons of economic efficiency as well as liberty: Too many variables. In public relations, even beginning students can figure out how to deal with a specific group or two, but greater social complexity may demand greater public relations simplicity, not complexity: With so many actors (publics), it is no longer possible for even the most adept public relations planner to figure out all the third-order consequences.

History and theory, though, will only take us so far. We

need real life case studies examining the actions of those who have learned that "unrealistic" public relations paths are not dead ends.

For instance, I have begun to compare the public relations policies of two large U.S. companies. They are very different companies in many ways, but each has about $15 billion in sales, each sells its products entirely or almost entirely to other companies rather than to consumers directly, and each has installations located mainly in small towns.

Not counting stockholder relations specialists, Company X has over 100 individuals working in public relations, and Company Y has five. Repeat, five.

How is that possible? An examination of corporate public relations policies provides the answer.

At Company X, media relations experts do exactly what the "evolution" of public relations suggests they should do. They cooperate fully with reporters, set up interviews with executives and managers, suggest favorable stories, provide "perspective" on unfavorable developments, and so on.

At Company Y, the general rule is, "Don't talk with the press, don't set up interviews." The logic goes: Why do reporters ask questions? To gain information. If we have substantive information that we have worked hard to gain and that may be useful in our business decision-making, why give it away? If we have non-substantive information, why waste our time, the reporter's time, and the readers' time, with fluff? Others can worry about image-building; we want to create better products.

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At Company X, a highly-trained contributions staff attempts to determine how to best exercise "social responsibility" by making grants to worthwhile organizations. Impossibly difficult decisions about relative worthiness are made easier by the dispatching of grants to charities favored by back-scratching executives and tax-writing congressmen, but that is all part of the challenge.

At Company Y, the contributions policy is simple: No trading of favors. Company executives are not encouraged to join nonprofit boards. The CEO does not ask his counterparts at other companies to support his favorite charities. No "public interest" contributions. A part-time staffer simply sees which nonprofit institutions employees use and value the most, and provides support to those institutions commensurate with employee use. For instance, if employees make use of a community nonprofit hospital, contribute to that hospital.

At Company X, governmental relations experts develop complex attempts to have favorable clauses inserted into tax and protectionist legislation. Company lobbyists keep busy attending $500-a-person receptions and $1,000-a-plate dinners. Former key congressional staffers are hired to lobby their friends still on the job.

At Company Y, a simple, principled policy is followed: Do not lobby for particular advantage. Since executives believe that taxes generally are too high and federal regulations too numerous, Company Y's position is to favor at all times lower taxes and less regulation. A part-time Washington governmental affairs representative explains that position in special

situations when defensive lobbying may be essential due to efforts of other companies.

We could continue listing the differences between the policies of Company X and Company Y in many other public relations areas, but the point should be clear. Here are two entirely different ways of conducting public relations business. The Company X style is the culmination of public relations "evolution." The Company Y style is an endangered species, and is almost entirely ignored within many public relations classrooms.

When asked why the Company Y style is not presented as a real alternative, the typical answer is that such a public relations policy is clearly unrealistic: It may have worked in a simpler society, but it cannot work now. Some even suggest that public relations experience over the past century has "proven" that X-style works better than Y-style.

In a limited sense, the question of realism can be dealt with quickly, by examining whether Company Y has suffered serious public relations blows, as our common theory would expect. Some results are in: A reporter cajoled by other companies missed his favored treatment and may have given Company Y fewer polite press mentions than it could otherwise have accumulated. It seems likely that some tax breaks perhaps winnable by fervent lobbying have not been seized. Some grant-receiving groups pampered at other companies have muttered about the social irresponsibility of Company Y.

And yet, Company Y's media relations are generally positive

because reporters know the company is not playing games with them. When Company Y does lobby to prevent ravishment at the hands of its aggressively-lobbying competitors, politicians listen, perhaps because of a grudging respect for rare commodities such as political principle which they do not regularly see around themselves or even in the mirror. Community organizations that actually serve Company Y's employees make sure that any complaints from employees receive prompt response.

It is very difficult to measure the pluses and minuses of Company Y's public relations policy, because we do not have a laboratory situation with a control company exactly the same as Company Y. What we can say, though, is that Company Y has not been blown out of the water; it has had substantial savings in public relations personnel costs and expenses, with no demonstrable disasters; Company Y policy is not demonstrably unrealistic.

In a deeper sense, though, some would consider Company Y's practical experience becomes irrelevant to the discussion, in that public relations history supposedly has shown the long-term superiority of X-style. I will further develop the X-style and Y-style comparison in further papers, but I hope that I have indicated today a need to break free from the Progressive interpretation that condemns Y-style public relations as contrary to successful "evolution." To put it another way, public relations history does not show the superiority of X-style. It triumphed for many reasons, including the empire-building proclivity of some public relations leaders. But its final triumph is not at all assured.

In conclusion, it is time for us to address the basic issue of public relations and much of economics also: What is public? What is private? George Washington Cass, Jr., foresaw a century ago that once government becomes involved in business activities and begins to grant special privileges to favored parties, the process of politics dominating economics is hard to control. Public relations, insofar as it pushes along that process, has not always been helpful. It is time to ask once again the same basic questions posed by Cass a century ago. Perhaps this time we will be able to develop a better set of answers.

Notes

1. Joseph McKerns, "The Limits of Progressive Journalism History," Journalism History, Autumn, 1977, p. 88.

2. Hundreds of books describe the economics of British-colonial relations during the pre-revolutionary era. For a good recent discussion of what the Constitution framers were rebelling against, see Marc F. Plattner, "American Democracy and the Acquisitive Spirit," in Robert A. Goldwin and William A. Schambra, eds., How Capitalistic is the Constitution? (Washington: American Enterprise Institute, 1982), pp. 1-21.

3. For further discussion, see my article, "The Constitution Proclaims Primacy of Private Interests," The Register, February 8, 1985, p. 27. (Note: For this invited paper I was asked to summarize parts of my research. I have done this and will have to direct readers interested in more detail to some of my articles; that will involve citing my own writing frequently. My purpose in doing this is to be efficient, not prideful.)

4. See The Federalist Papers, in many editions. Working out of the New American Library edition (1961), the following pages are particularly worth examination: Fed. 7, p. 65; Fed. 10, pp. 78, 83-84; Fed. 12, p. 91; Ged. 37, p. 227; Fed. 44, pp. 281-283; Fed. 51, pp. 322-325; Fed. 56, p. 349; Fed. 85, pp. 521-22.

5. Ibid.

6. See my article, "A Reappraisal of 19th-Century Public Relations," Public Relations Review, Spring, 1985,, pp. 3-12.

7. See my paper, "Jumping Off the Gravy Train," distributed by the Institute for Humane Studies, Menlo Park, Ca. (1985).

8. Arthur Johnson and Barry Supple, Boston Capitalists and Western Railroads (Cambridge: Harvard University Press, 1967), p. 137; Carter Goodrich, Government Promotion of American Canals and Railroads, 1800-1890 (New York: Columbia University Press, 1960), p. 171.

9. Goodrich, p. 185. Other useful books on early railroading include Thomas C. Cochran, Railroad Leaders, 1845-1890 (Cambridge: Harvard University Press, 1953); Winthrop M. Daniels, American Railroads (Princeton: Princeton University Press, 1932); Lee Benson, Merchants, Farmers, & Railroads (Cambridge: Harvard University Press, 1955); Frederick Cleveland and Fred Powell, Railroad Promotion and Capitalization in the United States (New York: Longmans, Green & Co., 1909); and George Miller, Railroads and the Granger Laws (Madison: The University of Wisconsin Press, 1971). Cochran's book is not only an interesting secondary source but a useful primary source because of its extensive appendix, which includes letters of railroad industry leaders.

10. Letter from Cass to J. B. Black, January 25, 1873. Archives of the Northern Pacific Railroad, St. Paul, Minn., with all other Cass material cited, along with materials from Robert Harris. Reprinted in Cochran, p. 285

11. Cass to C. D. Wiley, February 20, 1873.

12. Ledyard to O.W. Ruggles, January 16, 1886. Archives of the Michigan Central Railroad, Detroit, Michigan. Reprinted in Cochran, p. 377.

13. Cochran, p. 234.

14. Ackerman to J. F. Duncombe, n.d., 1876. Archives of the Illinois Central Railroad, Newberry Library, Chicago, with all other Ackerman material cited. Reprinted in Cochran, p. 234.

15. Ackerman to Duncombe, February 5, 1878; Ackerman to William Osborn, August 28, 1880.

16. Brisbin to Samuel Sloan, quoted in Cochran, p. 195; Denison to Robert Harris, February 22, 1873, Chicago, Burlington & Quincy Archives.

17. Ackerman to L. V. F. Randolph, December 29, 1880; Ackerman to William Osborn, August 20, 1878; Ackerman to S. Fish, February 20, 1883.

18. Ledyard to A. L. Osborne, February 3, 1883; Ackerman to L. V. F. Randolph, March 3, 1879.

19. Harris to J. Sterling Morton, July 21, 1877.

20. Perkins to Thomas J. Potter, January 5, 1887; Perkins to Forbes, April 28, 1878. Chicago, Burlington & Quincy Archives, Newberry Library, Chicago, Illinois, along with all other Forbes and Perkins material; reprinted in Cochran.

21. See my article, Bipartisan Baloney, Reason, October, 1984, pp. 39-41.

22. Forbes to William C. Endicott, Jr., January 29, 1887.

23. Perkins to Forbes, June 11, 1885.

24. U.S. House of Representatives, Committee on Commerce, Hearings, 48:1, pp. 1-2.

25. Ibid., p. 39.

26. U.S. Senate, Select Committee on Interstate Commerce, Senate Report No. 46, 49:1, p. 175.

27. Albro Martin, Enterprise Denied: Origins of the Decline of American Railroads, 1897-1917 (New York: Columbia University Press, 1971), p. xii.

28. See my paper, "Two-Front War," presented to AEJ Public Relations Division, August, 1985.

29. See my paper, "Agenda-Setting of Ivy Lee," presented to AEJ History Division, August, 1985.

30. See my articles, "Roots of Modern Public Relations," Public Relations Quarterly, Winter, 1984, pp. 25-27, and "Bernays' Doctrine of Public Opinion," Public Relations Review, Fall, 1984, pp. 3-12.

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32. See my article, "The 1984 Public Relations Scam Awards," Business and Society Review, Fall, 1984, pp. 42-46.

33. See my article, "Inside the Amoral World of Public Relations," Business and Society Review, Winter, 1985, pp. 41-44.

34. Ibid.

35. Interviews with public affairs directors of Companies X and Y, 1983-1985.